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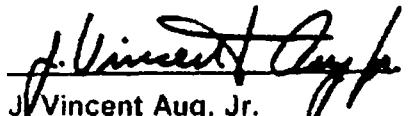
# EXHIBIT

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This document has been electronically entered in the records of the United States Bankruptcy Court for the Southern District of Ohio.

IT IS SO ORDERED.

Dated: June 28, 2006

  
J. Vincent Aug, Jr.  
United States Bankruptcy Judge

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION

In re:	)	Chapter 11
	)	
EAGLEPICHER HOLDINGS, INC., <i>et al.</i> ,	)	Jointly Administered
	)	Case No. 05-12601
Debtors.	)	
	)	Judge J. Vincent Aug, Jr.

**ORDER CONFIRMING DEBTORS' SECOND AMENDED  
JOINT PLAN OF REORGANIZATION**

Upon the Debtors' Second Amended Joint Plan of Reorganization dated May 31, 2006 (Doc. No. 2114)<sup>1</sup> (the "Plan") and the Disclosure Statement in Support of Debtors' First Amended Joint Plan of Reorganization dated March 2, 2006 (Doc. No. 1629) (the "Disclosure Statement"), filed by EaglePicher Holdings, Inc. and certain of its affiliates (collectively, the "Debtors"), debtors and debtors-in-possession in the above captioned cases (the "Cases"); and the Court having held a hearing on March 1, 2006 to consider approval of the Disclosure Statement (the "Disclosure Statement Hearing"); and upon the Order (1) Approving Disclosure

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<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Plan.

Statement, (2) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan, (3) Establishing Voting Record Date, (4) Fixing a Record Date for Disbursements, (5) Fixing the Date, Time and Place for the Confirmation Hearing and the Deadline for Filing Objections Thereto, and (6) Establishing Procedures for Curing Defaults on Assumed Contracts (the "Disclosure Statement Order"), dated March 2, 2006 (Doc. No. 1625), establishing certain procedures for the solicitation and tabulation of votes in connection with the Plan; and upon the Declaration of William R. Gruber, Jr. Certifying Tabulation of Ballots Regarding Vote on Debtors' First Amended Joint Plan of Reorganization, filed April 13, 2006 (Doc. No. 1842), of the Trumbull Group, LLC, the Balloting Agent in the Cases, certifying the solicitation and tabulation results in the Debtors' chapter 11 cases (the "Solicitation and Tabulation Certification"); and solicitation packages (the "Solicitation Packages"), containing CD ROM copies of (a) the Disclosure Statement Order, (b) the notice of the hearing to consider confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code (the "Notice of Confirmation Hearing") (Doc. No. 1625), (c) the Disclosure Statement (with a copy of the Plan annexed as Exhibit A thereto), (d) a ballot, in the form approved by the Court (the "Ballot") and a Ballot return envelope, (e) a letter, from the Debtors, in the form attached as Exhibit E to the Motion requesting approval of the Disclosure Statement Order (Doc. No. 1501), recommending acceptance of the Plan (the "Debtor Recommendation Letter"), and (f) a letter recommending acceptance of the Plan, in the form filed with the Court on February 24, 2006, (Doc. No. 1600) from the Official Committee of Unsecured Creditors (the "Committee Recommendation Letter") having been transmitted in accordance with the terms of the Disclosure Statement Order; and notices of non-voting status ("Notices of Non-Voting Status"), in the forms approved by the Court, having been sent to holders of Claims in Classes that have been deemed to accept or reject

the Plan (the “Non-Voting Classes”); and the solicitation of acceptances from holders of claims and interests other than the Non-Voting Classes, being conducted in accordance with the terms of the Disclosure Statement Order; and upon the Affidavit of Service of Brendan Halley, Notice Coordinator, The Trumbull Group, LLC, as the Court-appointed claims agent in the Cases (Doc. No. 1754) (the “Halley Affidavit”), being filed with respect to the mailing of the Solicitation Packages in accordance with the Disclosure Statement Order; and the Disclosure Statement Order having fixed 12:00 p.m. (ET) on April 7, 2006 as the deadline for the filing of objections to confirmation of the Plan (the “Plan Objection Deadline”) and for submitting votes to accept or reject the Plan (the “Plan Voting Deadline”); and upon the various pleadings filed by the Debtors and Committee in support of confirmation of the Plan and the pleadings filed by the Plan Objectors (as defined below) in opposition to confirmation of the Plan; and a hearing to consider confirmation of the Plan having been held before this Court on April 19, 2006 and June 1, 2 and 5, 2006 (the “Confirmation Hearing”); and upon the Order Re: Objections to Confirmation entered by the Court on May 5, 2006 [Doc. No. 1976] (the “May 5 Order”) and the Order Re: Objections to Confirmation on Custodial Trust Issues entered on June 13, 2006 [Doc. No. 2158] (the “June 13 Order”) (collectively, the “Confirmation Objection Orders”), pursuant to which the Court addressed the objections to Confirmation of the Plan asserted by the United States of America on behalf of the Environmental Protection Agency, the Missouri Department of Natural Resources, Gold Fields Mining LLC and Blue Tee Corporation (the “Plan Objectors”); and all objections to the Plan having been resolved, withdrawn, overruled or otherwise determined by the Court in the Confirmation Objection Orders; and upon the Stipulation and Agreed Order Among Debtors-In-Possession, Gold Fields Mining LLC, Blue Tee Corporation, and the United States of America on Behalf of the Environmental Protection Agency, the United States

Department of the Interior Fish and Wildlife Service, and the Forest Service of the United States Department of Agriculture Resolving, In Part, Certain Objections to Debtors' First Amended Joint Plan of Reorganization, As Modified entered by the Bankruptcy Court on May 31, 2006 [Doc. No. 2120] (the "Plan Stipulation and Agreed Order"); and upon the full and complete record of the Confirmation Hearing and all matters and proceedings heretofore part of the record of the Cases and after due deliberation and sufficient cause appearing therefore:

**IT IS HEREBY FOUND AND DETERMINED THAT:**

**Findings, Conclusions and Jurisdiction.**

1. **Findings and Conclusions.** The findings and conclusions set forth herein, in the Findings of Fact and Conclusions of Law and in the record of the Confirmation Hearing constitute this Court's findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

2. **Jurisdiction.** The Court has jurisdiction over the Cases and authority to confirm the Plan pursuant to 28 U.S.C. § 1334. Confirmation of the Plan is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(L) and the Court has jurisdiction to enter a final order with respect thereto. The Debtors are eligible debtors under section 109 of the Bankruptcy Code. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. **Judicial Notice.** The Court takes judicial notice of the docket of the Cases maintained by the Clerk of the Court, including, without limitation, all pleadings and other

documents filed, all orders entered, and all evidence and arguments made, proffered, or adduced at the various hearings held before the Court during the pendency of the Cases.

**Solicitation, Voting and Notice.**

4. Solicitation and Notice. As described in and as evidenced by the Halley Affidavit, the Solicitation Packages were transmitted and served in compliance with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and the Disclosure Statement Order. The transmittal and service of the Solicitation Packages was timely, adequate, and sufficient under the circumstances.

5. Notice. All parties required to be given the Notice of Confirmation Hearing (including the deadline for filing and serving objections to confirmation of the Plan) have been provided due, proper, timely, and adequate notice in compliance with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and the Disclosure Statement Order, and have had an opportunity to appear and to be heard with respect thereto. No other or further notice is required.

6. Voting. As described in the Findings of Fact and Conclusions of Law, and as evidenced by the Solicitation and Tabulation Certification, votes to accept or reject the Plan have been solicited and tabulated in good faith and in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and the Disclosure Statement Order

7. Notice and Filing of Plan Supplement Documents. The documents, forms of documents, schedules and exhibits and any supplements or modifications thereto required to be filed as part of the Plan Supplement (including, without limitation, the supplements filed on March 28, 2006 [Doc Nos. 1758, 1759, 1760, 1761, 1764 and 1765], April 12, 2006 [Doc Nos. 1835 and 1836], April 13, 2006 [Doc No. 1841], April 18, 2006 [Doc Nos. 1874 and 1878], April

19, 2006 [Doc No. 1881], April 26, 2006 [Doc No. 1932], May 2, 2006 [Doc No. 1963], May 11, 2006 [Doc No. 1989], May 12, 2006 [Doc No. 2002], May 18, 2006 [Doc No. 2029], May 19, 2006 [Doc No. 2030] and May 31, 2006 [Doc. No. 2108]) (collectively, the “Plan Supplement Documents”) were properly and timely filed, in accordance with the terms of the Disclosure Statement Order. Notice of such documents was good and sufficient under the circumstances and no other or further notice is or shall be required.

8. Modifications. The Plan complies with section 1127 of the Bankruptcy Code. On January 25, 2006, the Debtors filed the original Disclosure Statement and the Plan. The Debtors subsequently modified the original Disclosure Statement on February 24, 2006 (Doc. No. 1601) and March 2, 2006 (Doc. No. 1629) and modified the original Plan on February 24, 2006 (Doc. No. 1603), March 2, 2006 (Doc. No. 1628), April 17, 2006 (Doc. No. 1863) and May 31, 2006 (Doc. No. 2114). Changes in the modified Disclosure Statement and Plan are non-material and do not adversely affect the treatment of any Class of Claims or Equity Interests of the Debtors under the Plan. The modifications to the Plan made pursuant to the Plan Stipulation and Agreed Order fully resolve, subject to Paragraph 4 of the Plan Stipulation and Agreed Order, the objections of the Plan Objectors that are the subject of the Plan Stipulation and Agreed Order and are reasonable and satisfy the requirements of section 1129 of the Bankruptcy Code.

9. Burden of Proof. The Debtors have met their burden of proving the elements of section 1129 of the Bankruptcy Code by a preponderance of the evidence and the fair and equitable requirement contained in section 1129(b) of the Bankruptcy Code by clear and convincing evidence.

**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

10. Confirmation. The Plan is **CONFIRMED** in its entirety.

11. The Plan fully complies with all applicable sections of the Bankruptcy Code, including, without limitation, sections 1122, 1123 and 1129 of the Bankruptcy Code. The Debtors have complied with section 1125 with respect to the Disclosure Statement and the Plan.

12. The Findings of Fact and Conclusions of Law are hereby approved in their entirety, and are incorporated into, and are an integral part of this Confirmation Order.

13. The terms of the Plan, the Plan Supplement Documents, any and all exhibits thereto and all other agreements, contracts, documents and instruments contemplated by the Plan, Plan Supplement Documents and the transactions contemplated thereby<sup>2</sup> are incorporated by reference into, and are an integral part of, this Confirmation Order. Such documents shall be binding and enforceable as of the Effective Date, in accordance with their respective terms and without need for any further action by the parties thereto.

14. In the event of any inconsistency between the Plan and this Confirmation Order, unless specifically set forth herein, the provisions of the Plan shall govern; provided, however, that the provision in Paragraph 92 of this Confirmation Order shall control over any contrary language in Section 13.01 of the Plan. The Plan and this Confirmation Order shall supersede any orders of this Court issued prior to the Effective Date that are inconsistent herewith. Pursuant to sections 1123(a) and 1142(a) of the Bankruptcy Code and this Confirmation Order, the Plan and all Plan Supplement Documents shall apply and be enforceable, notwithstanding any otherwise applicable non-bankruptcy law.

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<sup>2</sup> For purposes of this Confirmation Order, the defined term "Plan Supplement Documents" shall include any and all exhibits to the Plan and the documents filed as part of the Plan



15. The approvals and authorizations specifically set forth in this Confirmation Order are nonexclusive and are not intended to limit the authority of any of the Debtors, Plan Trustee, Custodial Trustee, New HoldCo or a NewCo to take any and all actions necessary or appropriate to implement, effectuate and consummate any and all documents and transactions contemplated by the Plan, this Confirmation Order or any of the Plan Supplement Documents. In addition to the authority to execute and deliver, adopt or amend, as the case may be, the contracts, instruments, agreements and other documents specifically granted in this Confirmation Order, the Debtors, Plan Trustee, Custodial Trustee, New HoldCo and the NewCos are each authorized, empowered and directed to take any and all such actions to implement, effectuate and consummate any and all documents or transactions contemplated by the Plan, this Confirmation Order or any of the Plan Supplement Documents.

**Objections.**

16. All objections to the Plan that have not been withdrawn, waived, or settled or otherwise determined pursuant to the Confirmation Objection Orders and all reservations of rights pertaining to confirmation of the Plan included therein, are overruled on the merits.

**Implementation of the Plan.**

17. **Binding Effect.** The Plan and its provisions shall be binding upon, and inure to the benefit of, the Debtors, New HoldCo, each of the NewCos, the Plan Trustee, the Custodial Trustee, any entity acquiring property or receiving property or a distribution under the Plan, any holder of a Claim against, or Equity Interest in, the Debtors, including all governmental entities, whether or not the Claim or Equity Interest of such Holder is impaired under the Plan and

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Supplement and all other agreements, contracts, documents and instruments contemplated by the Plan, Plan Supplement Documents and the transactions contemplated thereby.

whether or not such Holder or entity has accepted the Plan or received any property or distribution under the Plan, and each of their respective successors and assigns.

18. Plan Classification Controlling. The classification of Claims and Equity Interests set forth in Article 3 of the Plan for purposes of the Distributions to be made under the Plan shall be governed solely by the terms of the Plan, except as otherwise provided herein. The classifications set forth on the Ballots tendered to or returned by the Debtors' creditors and interest holders in connection with voting on the Plan: (a) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan; (b) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect the actual classification of such Claims and Equity Interests under the Plan for distribution purposes; and (c) shall not be binding on the Debtors, Plan Trustee, Custodial Trustee, New HoldCo, the NewCos, creditors or interest holders for purposes other than voting on the Plan.

19. Treatment of Unclassified Claims. The provisions of Article 2 of the Plan relating to the treatment of unclassified Claims, including, without limitation, Administrative Claims, fees of professionals, Indenture Trustee Fees, Priority Tax Claims, Other Priority Claims, and Debtor-in-Possession Financing, are hereby approved in all respects.

20. Distributions and Claims Reconciliation. The provisions of Article 4 of the Plan, regarding treatment of, and Distribution to, Classes of Claims and Equity Interests are hereby approved in all respects.

21. In accordance with the May 5 Order, for purposes of calculating Distributions to Holders of Allowed Claims, the Debtors' proposed allocation of the secured debt balance, as of the Effective Date, under the Replacement DIP Facilities (the "DIP Debt Allocation") first to EPI as borrower and then *pro rata* to each of the Debtor-guarantors on the basis of asset valuations,

as of the Effective Date, is feasible, in accordance with applicable non-bankruptcy law, does not discriminate against any Holders of Claims in Classes 2A, 2B, 3A, 3B or 4 that have voted to or been deemed to reject the Plan and is fair and equitable.

22. On and after the Effective Date, subject to Bankruptcy Rule 9010, and except as otherwise provided in section 6.05 of the Plan with respect to Holders of Pre-Petition Note Claims, all distributions of Plan Consideration shall be made by the Plan Trustee in accordance with the Plan Trust Agreement and the Plan.

23. Pursuant to the Disclosure Statement Order, the Court established April 1, 2006 as the Distribution Record Date. As of the Distribution Record Date, the various transfer registers for each of the Classes of Claims or Equity Interests, as maintained by the Debtors or their respective agents were deemed closed and no further changes have been made or will be made to reflect any new record holders of Claims or Equity Interests. The Plan Trustee and the Pre-Petition Note Indenture Trustee, as the parties making Distributions, shall have no obligation to recognize any transfer of Claims or Equity Interests occurring on or after the Distribution Record Date.

24. Restructuring Transactions. The formation of New HoldCo and its direct and indirect subsidiary NewCos, including, without limitation, the following direct or indirect subsidiary NewCos: New EaglePicher Corporation; EaglePicher Automotive, LLC; EaglePicher Technology Holdings, LLC; New EaglePicher Technologies, LLC; EaglePicher Filtration & Minerals, LLC; EaglePicher Wolverine, LLC; Hillsdale Automotive, LLC; EaglePicher Boron, LLC; and New EaglePicher Pharmaceutical Services, LLC for the purpose of, among other things, acquiring the Transferred Assets of the Debtors, in accordance with section 5.01 of the

Plan, is hereby approved. New HoldCo Common Stock is hereby authorized and shall be issued at such time as Distributions of that stock are required under section 5.04 of the Plan.

25. Transfer of Assets to NewCos. Pursuant to section 5.02 of the Plan (and subject to section 12.04 of the Plan) and section 1141(c) of the Bankruptcy Code, on the Effective Date, and in accordance with the terms of the Purchase Agreements, for good and valuable consideration, all of the Transferred Assets shall be sold, conveyed, assigned, transferred and delivered to each respective NewCo, and shall vest in such NewCo, free and clear of all Liens, Claims, Other Interests, Equity Interests and Interests asserted by the Debtors, any creditors of the Debtors, or other Persons to the fullest extent permitted by applicable law, including but not limited to, sections 363, 1123, 1129, and 1141 of the Bankruptcy Code, save and excepting the Liens of the Senior Replacement DIP Agent and Junior Replacement DIP Agent and the Assumed Liabilities expressly specified (including conversion of the DIP Replacement Facilities into Exit Financing Facilities as contemplated in Paragraph 37 below) in the Plan or the Purchase Agreements or other specific obligations expressly undertaken by New HoldCo or any NewCo in the Plan. Neither New HoldCo nor any NewCo shall be or be deemed to be a successor of (whether de facto or otherwise) or have merged into or with any of the Debtors. Except for any Assumed Liabilities expressly undertaken by New HoldCo or any NewCo in the Plan, neither New HoldCo nor any NewCo shall, to the fullest extent permitted by applicable law, including, but not limited to, sections 363, 1123, 1129, and 1141 of the Bankruptcy Code, have any liability, obligation, or responsibility with respect to any Claims against or Equity Interests in any of the Debtors, including without limitation any amounts owed by the Debtors to holders of Claims or Equity Interests or any Obligations of the Debtors or the Plan Trust pursuant to the Plan. The terms, provisions, and conditions of the Purchase Agreements shall govern the obligations of the

Debtors, New HoldCo and the NewCos with respect to the transfer of Transferred Assets and related transactions. This Confirmation Order shall constitute an order approving the Purchase Agreements and all transactions contemplated thereby, including the transfer of the Transferred Assets free and clear of any Liens, Claims, Interests, Other Interests or Equity Interests. As provided in the Purchase Agreements, each of the Debtors (other than EaglePicher Holdings, Inc.) shall transfer its Transferred Assets (including, without limitation, equity interests in Non-Debtor Subsidiaries, affiliates and joint ventures) to the specified NewCo entity identified in Exhibit B to the Plan in exchange for Plan Consideration having an aggregate value equal in amount to the value of the applicable Transferred Assets, in each case as determined by the Bankruptcy Court.

26. After the Effective Date, the NewCos will own the Transferred Assets and operate their businesses and manage their affairs free of any restrictions in the Bankruptcy Code.

27. From and after the Effective Date, any transactions contemplated pursuant to the Plan, including, without limitation, section 5.02 of the Plan, shall be effective pursuant to this Confirmation Order, without the taking of any further action by the stockholders or directors of any of the Debtors, New HoldCo or any NewCo. From and after the Effective Date, each NewCo may operate its businesses and may use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending cases under any chapter or provision of the Bankruptcy Code, except as provided in the Plan.

28. The Purchase Agreements and all transactions contemplated thereby, including the transfer of the Transferred Assets free and clear of any Liens, Claims, Interests or Equity Interests, are approved in their entirety. The terms, provisions and conditions of the Purchase Agreements shall govern the obligations of the Debtors (and the Plan Trust as the assignee of the

Debtors' right, title and interest under the Purchase Agreements), New HoldCo and the NewCos with respect to the transfer of Transferred Assets and related transactions. To the extent inconsistent with the Plan, the Purchase Agreements shall control; provided, however, that with respect to each of the following matters, this Confirmation Order or the Plan, as the case may be, shall control over the Purchase Agreements: (a) Paragraph 92 of this Confirmation Order relating to Retention of Jurisdiction; (b) Section 5.02 and Article 12 of the Plan; and (c) Section 5.12(f) of the Plan.

29. As provided in the Purchase Agreements, each of the Debtors (other than EaglePicher Holdings, Inc.) shall transfer its Transferred Assets (including, without limitation, equity interests in Non-Debtor Subsidiaries, affiliates and joint ventures) to the specified NewCo entity identified in Exhibit B<sup>3</sup> to the Plan, in exchange for Plan Consideration in an aggregate value equal in amount to the value of the applicable Transferred Assets. The Court has determined based on the uncontroverted evidence presented at the Confirmation Hearing that the value of the Transferred Assets for each Debtor is:

EPI -	\$161 million
Hillsdale Debtors -	\$ 34 million
EPFM -	\$ 77 million
EPT -	\$192 million
EPPHS -	\$ 12 million
<u>Total Value</u>	<u>\$476 million</u>

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<sup>3</sup> The Debtors are authorized to modify the actual NewCo organizational structure to be implemented upon the Effective Date in order to take advantage of business or tax planning opportunities and in order to maximize tax efficiencies, provided, however, that any such changes will not be materially adverse to holders of Allowed Claims.

30. Subject to the terms of the Purchase Agreements, the Debtors' equity interests and other property interests in the Non-Debtor Subsidiaries shall constitute part of the Transferred Assets of the applicable Debtor, which shall be sold and conveyed to the applicable NewCos on the Effective Date.

31. Distribution of New HoldCo Common Stock. In accordance with section 5.04 of the Plan, New HoldCo shall issue ten million (10,000,000) shares of New HoldCo Common Stock to the NewCos in amounts sufficient to fund that portion of the Plan Consideration to be paid by each NewCo, in the form of New HoldCo Common Stock, pursuant to the applicable Purchase Agreement. After New HoldCo Common Stock is paid to the applicable Debtor in accordance with the Purchase Agreements, those shares shall be distributed to holders of Allowed Pre-Petition Note Claims against the applicable Debtor in accordance with the Plan.

32. Effectiveness of Securities, Instruments, and Agreements. On the Effective Date, all securities, instruments and agreements issued or entered into pursuant to the Plan, including, without limitation, the New HoldCo Common Stock, the Exit Financing Agreements, the Purchase Agreements, the Custodial Trust Agreements, the Plan Trust Agreement and any security, instrument, contract, document or agreement entered into in connection with any of the foregoing, shall become effective and binding upon the parties thereto in accordance with their respective terms and conditions.

33. Indemnification. Pursuant to the terms of the Purchase Agreement, the Debtors are hereby authorized to assume, and to assign to the applicable NewCo, all existing indemnification obligations of the Debtors to their current officers, directors and employees.

34. Exemption from Securities Laws. Pursuant to Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act") and, to the extent applicable, section 1145 of the

Bankruptcy Code, the offer or issuance, sale, exchange, or other transfer of the New HoldCo Common Stock made pursuant to the Plan is hereby exempt from the provisions of Section 5 of the Securities Act, and any state or local law requiring registration for the offer or sale of a security or registration or licensing of the issuer, or an affiliate thereof, as an underwriter, broker or dealer in securities.

35. Cancellation of Existing Debt Securities. Pursuant to section 5.06 of the Plan, on the Effective Date, except as otherwise provided in the Plan and excluding equity owned by the Debtors in any non-Debtor Entity: a) the Pre-Petition Note Indenture, Equity Interests, and any other note, bond or other instrument or document evidencing or creating any indebtedness or obligation of the Debtors, except such notes, agreements, or other instruments evidencing indebtedness or obligations of the Debtors that are reinstated under this Plan (including, as applicable, by conversion into Exit Financing Facilities as set forth in Paragraph 37 below), and (b) the obligations of, and Claims against the Debtors under, relating, or pertaining to any agreements, Pre-Petition Note Indentures, Equity Interests, or similar documents and any other note, bond, Pre-Petition Note Indenture, or other instrument or document evidencing or creating any indebtedness or obligation of the Debtors, except such notes, agreements, or other instruments evidencing indebtedness or obligations of the Debtors that are reinstated under the Plan, as the case may be, are hereby deemed automatically cancelled and terminated, without further act or action under any applicable agreement, law, regulation, order or rule and the obligations of the Debtors and the Debtors' affiliates and the Pre-Petition Note Indenture Trustee, as applicable, under the agreements and indenture governing such claims and equity interests, as the case may be, shall be discharged.



36. Notwithstanding the previous paragraph, the Pre-Petition Notes and Pre-Petition Note Indenture shall continue in effect solely for the purposes of (i) allowing the holders of the Pre-Petition Notes to receive their distributions under the Plan, (ii) allowing the Pre-Petition Note Indenture Trustee to make the distributions to be made on account of the Pre-Petition Notes, and (iii) permitting the Pre-Petition Note Indenture Trustee to assert its Charging Lien against such distributions for payment of the Indenture Trustee Fees.

37. Plan Financing. Pursuant to section 1142(b) of the Bankruptcy Code, and without further action by this Court or the stockholders or board of directors of the Debtors, New HoldCo or any NewCo, on the Effective Date, the Debtors are hereby authorized to exercise their option to convert the DIP Replacement Facilities into the Exit Financing Facilities. Pursuant to such conversion, the Exit Financing Facilities shall be extended to New HoldCo and each of the NewCos on the terms set forth therein and each guarantee and security interest granted by New HoldCo and each NewCo, pursuant to the Exit Financing Facilities on the Effective Date shall not constitute a fraudulent conveyance. Any and all credit extended by the lenders to New HoldCo and each of the NewCos under the Exit Financing Facilities shall be deemed to have been extended in good faith and any reversal or appeal of this Confirmation Order, or the provisions of this Confirmation Order approving the extension of credit under the Exit Financing Facilities or the granting of liens to the lenders under the Exit Financing Facilities, will not affect the validity of any debt incurred by the Debtors (if any), New HoldCo or any NewCo pursuant to this Confirmation Order, the Plan, and/or the Exit Financing Agreements, or any priority or lien granted pursuant to this Confirmation Order, the Plan and/or the Exit Financing Agreements, unless the authorization and the incurring of such debt, or the granting of such priority or lien, has been, prior to the date thereof, stayed pending appeal.

38. The satisfaction of the Senior Replacement DIP Facility Obligations and the Junior Replacement DIP Facility Obligations through the conversion thereof to the Exit Financing Facilities shall constitute a portion of the Plan Consideration.

39. The terms of the Exit Financing Agreements, substantially in the form filed by the Debtors as part of the Plan Exhibits, and with such changes as to which the applicable Debtors, New HoldCo, the NewCos and the respective agents and lenders party thereto may agree, are approved in their entirety.

40. New HoldCo and the NewCos are hereby authorized to execute the Exit Financing Agreements and, without further notice to or order of the Court, to take all such other actions and execute, deliver, record and file all such other agreements, instruments, financing statements, releases, applications, registration statements, reports and other documents, and any changes, additions and modifications thereto, as the applicable Debtors and the applicable lenders require to obtain the funding and otherwise effectuate the treatment afforded to such parties under the Exit Financing Facilities.

41. Substantive Consolidation of the Hillsdale Debtors. Pursuant to section 5.08 of the Plan, upon the occurrence of the Effective Date, immediately following the transfer of the Transferred Assets to New HoldCo and the NewCos, the remaining assets, liabilities, and properties of the Hillsdale Debtors (i.e., Debtors EaglePicher Automotive, Daisy Parts and Carpenter) shall be substantively consolidated. All such remaining property of the estate of each Hillsdale Debtor shall be deemed to be property of the consolidated Hillsdale Debtors.

42. In addition, upon the occurrence of the Effective Date, the chapter 11 cases of the Hillsdale Debtors shall be consolidated into a single consolidated case. All Claims against each of the Hillsdale Debtor's estates shall be deemed to be Claims against the consolidated Hillsdale

Debtors' estate, all proofs of claim filed against one or more of the Hillsdale Debtors shall be deemed to be a single claim filed against the consolidated Hillsdale Debtors' estate, and all duplicate proofs of claim for the same claim filed against more than one of the Hillsdale Debtors Debtor shall be deemed expunged.

43. No Distributions under the Plan shall be made on account of Intercompany Claims by and among the Hillsdale Debtors and such Intercompany Claims shall not be treated or affected by the Plan. Except as specifically provided in the Plan, all guarantees by one Hillsdale Debtor in favor of any other Hillsdale Debtors shall be eliminated as of the Effective Date, and no Distributions under the Plan shall be made on account of Claims based upon such guarantees.

44. For purposes of determining the availability of the right of setoff under section 553 of the Bankruptcy Code, the Hillsdale Debtors shall be treated as one consolidated entity so that, subject to the other provisions of section 553, debts due to any of Hillsdale Debtors may be set off against the debts of any other of Hillsdale Debtors.

45. All equity interests owned by one Hillsdale Debtor in an affiliate shall remain outstanding after the Confirmation Date and shall not be affected by the Plan.

46. Substantive consolidation of the Hillsdale Debtors shall not merge or otherwise affect the separate legal existence of (a) each Hillsdale Debtor for licensing, regulatory or other purposes, other than with respect to Distribution rights under the Plan and (b) of Debtors other than the Hillsdale Debtors.

47. In addition, substantive consolidation of the Hillsdale Debtors shall have no effect on valid, enforceable and unavoidable liens, except for liens that secure a Claim that is eliminated by virtue of substantive consolidation and liens against collateral that are extinguished by virtue of substantive consolidation. Substantive consolidation shall not impair or adversely affect in any

respect any of the liens, claims, rights, priorities, protections and remedies granted under the Replacement DIP Order, the Senior Replacement DIP Facility, the Junior Replacement DIP Facility or the Exit Financing Facilities. Substantive consolidation shall not impact or otherwise affect provisions in the Plan, if any, which provide that specific entities comprising the Hillsdale Debtors shall be liable for specific obligations under the Plan.

48. Substantive consolidation of the Hillsdale Debtors shall not have the effect of creating a Claim in a Class different from the Class in which a Claim would have been placed in the absence of substantive consolidation, and shall not effect any applicable date(s) for purposes of pursuing any avoidance actions or other actions reserved to the Hillsdale Debtors pursuant to the Plan.

49. Employees. On and after the Effective Date, New HoldCo and the NewCos are authorized to, and shall, offer all employees in good standing with any of the Debtors as of the Effective Date the same positions those employees held immediately prior to the Effective Date at New HoldCo or the appropriate NewCo, as the case may be.

50. Creation, Operation and Vesting of Assets in the EP Custodial Trusts. On the Effective Date, the real property listed as Designated Property and Transitional Property (to the extent that any such property has not been sold to a third party prior to the Effective Date) on Exhibit A to this Confirmation Order, which is currently owned by EPI, EPT and the Hillsdale Debtors shall be transferred to the EP Custodial Trust which has been formed in accordance with section 5.12 of the Plan and the terms of the Custodial Trust Agreement.

51. The EP Custodial Trust will be administered by the Custodial Trustee pursuant to the terms and conditions of the Custodial Trust Agreement. The Custodial Trust Agreement

(including any exhibits thereto and other documents, contracts, agreements and instruments entered into in connection therewith) is approved in its entirety.

52. Title to the Designated Property and the Transitional Property shall be transferred to the EP Custodial Trust consistent with the Custodial Trust Agreement. In accordance with the provisions of the Custodial Trust Agreement, the EP Custodial Trust, through the Custodial Trustee, is hereby authorized and directed to take ownership of the Designated Property and the Transitional Property, and to manage and/or fund the applicable Environmental Costs, lease the Transitional Property pursuant to the TP Leases and ultimately sell, transfer or otherwise dispose of the Designated Property and the Transitional Property to one or more third parties.

53. Notwithstanding the previous paragraph, all property currently titled in the name of EPI located in Cherokee County, Kansas shall be treated as property titled in the name of EPT (consistent with the pre-petition documentation governing the transfer of such property from EPI to EPT).

54. Pursuant to section 5.12 of the Plan, the EP Custodial Trust will be funded in the amounts set forth on Exhibit B to this Confirmation Order (the "Funding"), which amounts the Court has determined, and, in the case of Designated Property and Transitional Property located in the States of Kansas, Oklahoma, Illinois and Michigan, the United States Environmental Protection Agency ("USEPA") and the States of Kansas, Oklahoma, Illinois and Michigan agree for settlement purposes, are sufficient to pay the Environmental Costs of such properties and to administer the EP Custodial Trust. The Funding of the EP Custodial Trust shall be obtained from proceeds of, and letters of credit issued under, the Exit Financing Facility, lease payments under leases of the Transitional Property to certain NewCos, or cash on hand at EPI, EPT or the

Hillsdale Debtors, as the case may be, as of the Effective Date and shall constitute an administrative expense of EPI, EPT and the Hillsdale Debtors, respectively.

55. On the Effective Date the Debtors shall deposit the entire amount of the Funding into the Custodial Trust Accounts, pursuant to the terms of the Custodial Trust Agreements. The Debtors and/or the NewCos may, but shall not be obligated to, obtain insurance or other credit or similar support for funding Environmental Costs of the EP Custodial Trust as they determine in their reasonable discretion.

56. From the Effective Date to the date on which the Plan Trust terminates, any Residual Interest in any of the Custodial Trust Accounts shall be granted to the Plan Trust for the benefit, on a *pro rata* basis, of holders of Unsecured Claims against the Debtor who owned the Designated Property or Transitional Property from which such Residual Interest was generated.

57. From and after the date on which the Plan Trust terminates, any remaining Residual Interest in any of the Custodial Trust Accounts shall be granted to the States in which the Designated Property and Transitional Property is located. In the event a State rejects such remaining Residual Interest, then such Residual Interest shall revert to the county government in which such Designated Property is located, and thereafter to such charity as the Custodial Trustee shall designate in its sole discretion.

58. Neither New HoldCo nor any of the NewCos shall be or be deemed to be an owner, operator, trustee, partner, agent, shareholder, officer or director of the EP Custodial Trust, or an owner or operator of the Designated Property, or an owner of the Transitional Property, provided, however, that nothing herein shall relieve any entity of any liability for any new acts after the Effective Date creating liability under Environmental Laws and nothing herein shall relieve any entity that operates or owns the Properties after the Effective Date from any liability

under Environmental Laws as an operator or owner of the Properties after the Effective Date. The foregoing shall be true notwithstanding any funding of the Custodial Trust, nor any credit or financial support (including in the form of insurance or letters of credit) for satisfaction of Environmental Costs provided by New HoldCo or any NewCo.

59. The Debtors have reached proposed settlement agreements related to the Designated Property and Transitional Property located in the States of Kansas, Oklahoma, Illinois, and Michigan with U.S. EPA and the States of Kansas, Oklahoma, Illinois and Michigan (the "Pending Environmental Settlement Agreements"). This Confirmation Order shall not be construed as constituting the Bankruptcy Court's approval of the Pending Environmental Settlement Agreements. Approval of the Pending Environmental Settlement Agreements shall be a condition subsequent to confirmation of the Plan and a condition precedent to the occurrence of the Effective Date of the Plan. Pursuant to this Confirmation Order, each of the Plan Trust, New HoldCo and NewCo shall be enjoined from suing the United States and all of their departments, agencies, and instrumentalities and each of the State parties to the Pending Environmental Settlement Agreements for contribution or reimbursement for Environmental Actions and Environmental Costs with respect to the properties that are subject to each such Pending Environmental Settlement Agreement, as otherwise more specifically described in section 7(d) of such Pending Environmental Settlement Agreement, which section is hereby incorporated by reference herein.

60. The Custodial Trusts, the Custodial Trustee, New HoldCo and NewCo and their respective affiliates, subsidiaries, parents, members, shareholders, officers, directors, managers, employees, consultants, agents, attorneys, or other professionals and representatives shall be accorded under the Plan and this Confirmation Order the broadest protection available under law

with respect to any and all liability related to or in connection with the Designated Property, Transitional Property, and the EP Custodial Trust, including, but not limited to, CERCLA § 107(n), 42 U.S.C. § 9607(n); O.R.C. § 3746.27(A) (Ohio); 415 ILCS 5/22.2(h)(2)(D) (Illinois); and MCL § 324.20101-20101b (Michigan).

61. Merger, Dissolution, or Consolidation of Corporate Entities. Pursuant to section 5.13 of the Plan, on the first Business Day of the month following the month in which the Effective Date occurs or as soon thereafter as the Debtors determine (the “Dissolution Date”), (a) the Debtors, exclusive of their respective Estates, shall be dissolved in accordance with applicable non-bankruptcy law; (b) the affairs of the Debtors shall be deemed to have been completely wound up; and (c) the Debtors shall cease to exist as legal entities. Each of the foregoing actions shall be effective as of the Dissolution Date without the requirement to take any additional action or provide further notice to any Person, Holder, or Governmental Unit (as defined in section 101(27) of the Bankruptcy Code).

62. On the Effective Date, all of the Debtors’ directors and officers shall be deemed to have resigned without further action or notice; provided, however, that one or more officers of EPI or EPT may remain active and not resign in order to effectuate the transfer of RCRA permits as provided in section 5.13 of the Plan and Paragraph 72 of this Confirmation Order. Each of the foregoing actions shall be binding on and enforceable against all Persons, Holders and Governmental Units.

63. Employee Pension and Benefit Plans. Pursuant to section 5.14 of the Plan, except (i) as otherwise specified in section 10.04 of the Plan, or (ii) for modifications implemented by Debtors in the ordinary course of their business, or to the extent required, modifications either negotiated or ordered by the Court pursuant to section 1114 of the Bankruptcy Code, all



employment and severance policies, and all compensation and benefit plans, policies, and programs of Debtors applicable generally to their respective employees or retirees including, without limitation, all savings plans, retirement plans, health care plans, disability plans, severance benefit plans, incentive plans, and life, accidental death, and dismemberment insurance plans (collectively, the "Employee Plans"), are hereby assumed by the Debtors and assigned to New HoldCo and the NewCos pursuant to the terms of the Purchase Agreements and otherwise in accordance with the provisions of sections 365 and 1123 of the Bankruptcy Code.

64. Upon the Effective Date, (i) New HoldCo shall become the plan administrator and plan sponsor of the Pension Plans currently maintained and sponsored by EPI; and (ii) the NewCos shall become participating employers in the Pension Plans. Thereafter, New HoldCo and the NewCos shall assume, and shall be responsible for, all accrued liabilities and obligations of the Debtors under the Pension Plans. Neither the Debtors nor their directors, officers, employees, agents, representatives, or professionals shall have any further responsibilities, liabilities, duties or obligations with respect to the Pension Plans on or after the Effective Date.

65. Notwithstanding the previous provision, nothing contained in the Plan or this Confirmation Order shall release any claim or claims of the Pension Benefit Guaranty Corporation or any pension plan, currently or formerly sponsored by EPI against any person arising under 29 U.S.C. Sections 1104-1109 with respect to the pension plans, including any such claims of the Pension Benefit Guaranty Corporation asserted pursuant to 29 U.S.C. sections 1303(e) and 1342(d).

66. New HoldCo hereby shall: (i) file in the time and manner as may be required by any applicable law any forms and/or notices with any governmental entity regarding such assumption of responsibilities under the Pension Plans; and (ii) notify Pension Plan participants in the time and

manner as may be required by any applicable law of such change in the sponsorship of the Pension Plans along with any other related information as may be required by law.

67. Continuation of Stays. Pursuant to section 5.16 of the Plan, except as otherwise provided in the Plan or this Confirmation Order, all injunctions or stays in effect in the Cases pursuant to sections 105 or 362 of the Bankruptcy Code, or otherwise in effect on the Confirmation Date, shall remain in full force and effect until the Effective Date.

68. Transfer by the Debtors of Property to the Plan Trust and Reservation of Rights. Pursuant to section 6.02 of the Plan, the Debtors have established a Plan Trust, to be administered in accordance with the terms of the Plan and the Plan Trust Agreement. The Debtors shall appoint U.S. Bank as the Plan Trustee who shall be retained as of the Effective Date. The Plan Trustee shall be compensated as provided in the Plan Trust Agreement.

69. The Plan Trust Agreement (including any exhibits thereto and other documents, contracts, agreements and instruments entered into in connection therewith) is approved, in its entirety, and the Debtors and the Plan Trustee are authorized to enter into, and perform under, the Plan Trust Agreement and, without further action of the Court, to execute such other documents or take such other actions as they deem necessary to effectuate the terms of the Plan Trust Agreement.

70. The provisions in Article 6 of the Plan, relating to, *inter alia*, the Plan Trust and the Plan Trustee, are approved in their entirety.

71. On or before the Effective Date, the Debtors are authorized and directed, in accordance with, among others, sections 5.02, 6.02 and 6.03 of the Plan and the terms of the Plan Trust Agreement, to transfer and assign to the Plan Trust, for the benefit of the Plan Trust Beneficiaries, (a) the Initial Plan Trust Assets; and (b) the Future Plan Trust Assets, including

Plan Consideration to be distributed in accordance with the terms of the Plan after the Effective Date, from time to time thereafter.

72. This paragraph intentionally omitted

73. Pursuant to section 6.02 of the Plan, New HoldCo and the applicable NewCos shall assume responsibility for compliance with the Environmental Permit on the Effective Date and hereby does indemnify and hold harmless the Plan Trust for any obligations arising under such permits on or after the Effective Date.

74. As of the Effective Date, the Debtors are also authorized and directed to assign to the Plan Trust the right to prosecute, settle and release, on behalf of themselves and their Estates, any and all Estate Causes of Action, other than any such actions that were expressly included in the Transferred Assets. The Plan Trust, as the assignee of the Debtors, shall retain and may prosecute any and all Estate Causes of Action, including any such actions that may be pending on the Effective Date, and may, whether or not an Estate Cause of Action has been commenced prior to the Effective Date, assert the claim or cause of action underlying such Estate Cause of Action as a defense or counterclaim to any Claim or action, including, but not limited to, any rights under section 502(d) of the Bankruptcy Code. The Plan Trustee shall be a representative of the estate under 11 U.S.C. § 1123(b)(3)(B) for purposes of prosecuting, settling, releasing or otherwise administering the Estate Causes of Action.

75. The Debtors and Plan Trustee, as the case may be, reserve the right and shall be entitled to file and prosecute and/or continue the prosecution of any Estate Causes of Action as provided in the Plan prior to the closing of the Chapter 11 Cases, subject only to the limitations set forth in section 546 of the Bankruptcy Code. The Plan Trustee's right to commence, prosecute and/or continue the prosecution of Estate Causes of Action shall not be abridged or

materially altered in any manner by reason of Confirmation of the Plan. No defendant party to any Estate Causes of Action shall be entitled to assert any defense based, in whole or in part, upon Confirmation of the Plan, and the Plan's Confirmation shall not have any *res judicata* or collateral estoppel effect upon the commencement, prosecution and/or continuation of Estate Causes of Action, and the Court has found that the foregoing shall be sufficient for all purposes to satisfy the requirements of the standard set forth in Browning v. Levy, 283 F.3d 761 (6<sup>th</sup> Cir. 2002).

76. Except as otherwise provided in section 6.05 of the Plan and in the Plan Trust Agreement, all Distributions to be made to holders of Allowed Claims after the Effective Date under the Plan, shall be made by the Plan Trustee, who shall deposit and hold all Cash and other Property in the Plan Trust for the Trust Beneficiaries. Subject to the foregoing, the Plan Trustee is hereby authorized to perform his duties and exercise his powers, including those listed in section 6.06 of the Plan, in accordance with the Plan Trust Agreement and the Plan.

77. Notwithstanding the previous paragraph, all Distributions to be made to Holders of Allowed Pre-Petition Note Claims shall be made by the Plan Trustee to the Pre-Petition Note Indenture Trustee, who will, in turn make Distributions to the Holders of Allowed Pre-Petition Note Claims on the Distribution Dates, in accordance with section 6.05 of the Plan. The Plan Trustee and the Pre-Petition Note Indenture Trustee are hereby authorized to make such Distributions in accordance with section 6.05 of the Plan and the Plan Trust Agreement, as applicable.

78. The Plan Trustee is hereby authorized and directed to invest any Cash held by him/her in any amounts or otherwise in accordance with section 345 of the Bankruptcy Code and

consistently with the standards of Revenue Procedure 94-45, 1994-28 C.B. 124, or as otherwise permitted by a Final Order of this Court.

79. The Plan Trustee shall not be liable for any action the Plan Trustee takes or omits to take that the Plan Trustee believes in good faith (including upon the advice of counsel) to be authorized or within the Plan Trustee's rights or powers unless it is ultimately and finally determined by this Court that such action or inaction was the result of gross negligence or willful misconduct. The Plan Trustee shall administer the Plan Trust in accordance with, and otherwise be subject to, the relevant provisions of the Plan Trust Agreement and Article 6 of the Plan.

80. In accordance with the Plan Trust Agreement, New HoldCo is hereby authorized and directed, on the Effective Date, to transfer to the Debtors who shall simultaneously transfer to the Plan Trust, the sum of \$500,000 (which sum is in addition to the purchase price for the Transferred Assets) in Cash to defray the costs and expenses of the Plan Trust, Plan Trustee and professionals retained by the Plan Trustee. The costs and expenses of the Plan Trust, including without limitation, the fees and expenses payable to the Plan Trustee and any professionals retained by the Plan Trustee, shall be paid out of such Cash, Plan Trust Assets and Plan Consideration. The Plan Trustee is authorized and directed to set aside reserves from such Cash, Plan Trust Assets and Plan Consideration as are adequate and appropriate to pay the costs and expenses of the Plan Trust.

81. Disputed Claims. The provisions of Article 7 of the Plan, including, without limitation, the provisions governing procedures for resolving Disputed Claims, are found to be fair and reasonable and are hereby approved in their entirety.

82. Record Holders of Claims. Except as otherwise provided in the Plan, the person reflected in the Claims records for the Debtors on the Distribution Record Date as the Holder of a

specific Claim shall be considered, and shall be treated by the Debtors and the Plan Trustee, as the sole Holder of that Claim. If there is any dispute regarding the identity of the person entitled to receive notice, payment or Distribution in respect of a Claim or Interest under the Plan, then no payment or Distribution shall be made in respect of such Claim or Interest until the dispute is resolved by the Court pursuant to a Final Order.

83. Surrender of Pre-Petition Notes. Pursuant to section 8.02 of the Plan, each Holder of a Pre-Petition Note Claim having possession of a Pre-Petition Note, shall surrender such Pre-Petition Note to the Pre-Petition Note Indenture Trustee. Unless agreed to by the Debtors and the Pre-Petition Note Indenture Trustee, no Distributions shall be made under the Plan to or on behalf of such Holder until (a) the Pre-Petition Note is received by the Pre-Petition Note Indenture Trustee; or (b) the lost, theft or destruction of such Pre-Petition Note is established to the satisfaction of the Pre-Petition Note Indenture Trustee.

84. Conditions to Effectiveness. Notwithstanding the entry of this Confirmation Order, the Plan shall not become effective unless and until the conditions set forth in sections 9.01 and 9.02 of the Plan and paragraph 59 of this Confirmation Order have been satisfied or waived pursuant to section 9.03 of the Plan. In the event that one or more of the conditions specified in section 9.01 of the Plan have not occurred on, or otherwise been waived pursuant to section 9.03 of the Plan within sixty (60) days after the entry of this Confirmation Order, then upon motion of the Debtors or any party interest made before the time that each such condition has been satisfied or duly waived (the "Motion to Vacate"), the Court may vacate this Confirmation Order.

85. Notwithstanding the filing of a Motion to Vacate, the Confirmation Order shall not be vacated if each of the conditions set forth in sections 9.01 and 9.02 of the Plan is either

satisfied or waived by the Debtors and the Creditors Committee before the Court enters an order granting the relief requested in any Motion to Vacate.

86. Assumption and Rejection of Executory Contracts and Unexpired Leases. The assumption and assignment and or/rejection of the Debtors' executory contracts and unexpired leases, including, without limitation, the Employee Plans, as set forth in Article 10 of the Plan, is hereby approved pursuant to section 365, and as applicable, section 1114 of the Bankruptcy Code. The cure amounts with respect to assumed executory contracts and unexpired leases set forth in the Notice of Intent Either to Assume and Assign or Reject Certain Nondisclosable EaglePicher Technologies, LLC Contracts [Doc. No. 1758], Notice of Intent to Assume and Assign Collective Bargaining Agreements in Connection with Plan of Reorganization [Doc No. 1759], Notice of Intent to Assume and Cure Executory Contracts and Unexpired Leases in Connection with Plan of Reorganization [Doc. No. 1760], and supplements to said notices [Doc. Nos. 1764, 1835, 1841, 1874, 1878, 1881, 1932, 1989, 2030, and 2108] are hereby approved. Claims filed after the Plan Voting Deadline by non-Debtor parties to rejected executory contracts for rejection damage claims who do not elect treatment in the form of Deferred Cash Payments or lump sum payment on the Initial Cash Option Distribution Date shall be deemed to have elected the lump sum payment option.

87. Assumption and Assignment of Collective Bargaining Agreements. The Debtors are authorized, pursuant to section 1113 of the Bankruptcy Code, to assume and assign to the appropriate NewCos, all pre-petition collective bargaining agreements (the "CBAs") between a Debtor and each of its unions, including, without limitation, the United Auto Workers, the United Steel Workers of America and the International Brotherhood of Teamsters (the "Teamsters"). Such agreements shall be effective in their entirety. In addition, EPFM is authorized to assign to

NewCo EaglePicher Filtration & Minerals LLC all of EPFM's right, title and interest in, and all its obligations under its postpetition CBA, dated May 31, 2005, with the Teamsters (the "Postpetition CBA"). EaglePicher Filtration & Minerals LLC is hereby authorized to accept such assignment of the Postpetition CBA.

88. Organization of NewHoldCo. The Articles of Incorporation and Code of Regulations for New HoldCo (the "New HoldCo Formation Documents"), a copy of each of which has been filed with the Court as a Plan Exhibit, are hereby expressly approved in their entirety.

89. Discharge, Settlement, Injunction and Exculpation. The discharge, settlement, injunction, exculpation and related provisions set forth in Article 12 of the Plan are approved in their entirety. Pursuant to section 12.01(a) of the Plan, except as otherwise provided in the Plan or in this Confirmation Order, all treatment provided under the Plan, regardless of whether any property shall have been distributed or retained pursuant to this Plan on account of Claims and Equity Interests upon the Effective Date, shall be in exchange for, and in complete satisfaction and settlement of all Claims and Equity Interests. In accordance with section 12.04 of the Plan, nothing in the Plan (including, without limitation, Article 5), Purchase Agreements or this Confirmation Order (including, without limitation, Paragraph 25 hereof) shall (a) release, discharge, enjoin, or preclude (i) any Person who filed a written objection to confirmation of the Plan within the time period provided for in the Order Approving Disclosure Statement in Support of Debtors' Second Amended Joint Plan of Reorganization, (Doc. No. 1625) or any Governmental Unit (as defined in the Bankruptcy Code) from asserting against any party any Claim arising after the Effective Date of the Plan; *provided, however*, that any such Person entitled to assert any such Claim shall not be precluded from asserting such Claim or be



prejudiced solely by virtue of the preclusion of any other Person from asserting a Claim by any provisions of the Plan or this Confirmation Order; or (ii) any liability or cause of action under police or regulatory laws that any Governmental Unit may have that is not within the definition of "claim" under 11 U.S.C. § 101(5); or (b) expand, limit, affect or restrict in any manner whatsoever any party with respect to defenses against, or rights with respect to, any Claims of the type set forth in Section 12.04(a) of the Plan.

90. Injunction Against Asserting Claims or Interests. On and after the Effective Date, all Persons are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of or respecting any claim, debt, right or cause of action of the Debtors for which the Debtors, Plan Trustee or Custodial Trustee, as the case may be, retain sole and exclusive authority to pursue in accordance with sections 5.12 and 5.15 of the Plan.

91. Injunction Against Interference with Plan. Upon the entry of this Confirmation Order, all holders of Claims and Equity Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

92. Retention of Jurisdiction. On and after the Effective Date, this Court shall retain jurisdiction over the matters arising in, and under, and related to, the bankruptcy cases, as set forth in section 13.01 of the Plan and section 1142 of the Bankruptcy Code, including, without limitation, any matters arising in, and under, and related to, the Estate Causes of Action, the Plan Trust or the Custodial Trusts; provided, however, and notwithstanding any provision of section 13.01 of the Plan to the contrary, that with respect to a governmental unit's exercise of its police

or regulatory powers, the jurisdiction of any other tribunal shall not be reduced or impaired from that as set forth in any applicable, valid statutory grant of jurisdiction.

93. Government Acceptance. Pursuant to sections 105, 1141(c), and 1142(b) of the Bankruptcy Code, each and every federal, state, and local governmental agency or department is authorized and directed to accept and record any and all documents and instruments necessary, useful, or appropriate to effectuate, implement, and consummate the transactions contemplated by the Plan or this Confirmation Order, and any and all notices of satisfaction, release, or discharge or assignment of any lien, Claim, or encumbrance not expressly preserved by the Plan; provided, however, that unless otherwise ordered by the Court after notice and a hearing, the provisions of this paragraph 93 shall not apply to any Environmental Permit the transfer of which from a Debtor to a NewCo has not be authorized by the relevant state agency or department.

94. Withholding and Reporting Requirements. All instruments issued in connection with the Plan and Distributions thereon of the Debtors, Plan Trustee, Custodial Trustee, Pre-Petition Note Indenture Trustee, New HoldCo and each NewCo shall comply with all withholding, reporting, certification and information requirements imposed by any federal, state, local, or foreign taxing authority.

95. All Distributions made pursuant to the Plan shall, to the extent applicable, be subject to any such withholding, reporting, certification, and information requirements. Persons entitled to receive distributions hereunder shall, as a condition to receiving such distributions, provide such information and take such steps as the Plan Trustee and Pre-Petition Note Indenture Trustee may reasonably require to ensure compliance with such withholding and reporting requirements, and to enable the Plan Trustee and Pre-Petition Note Indenture Trustee, as the case

may be, to obtain such certifications and information as may be necessary or appropriate to satisfy the provisions of any tax law.

96. Corporate Action. On the Effective Date, all matters provided for under the Plan that may otherwise require approval of the stockholders or directors of one or more of the Debtors or New HoldCo or the NewCos, shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to general corporation law of the applicable states, without any requirement of further action by the shareholders or directors of the Debtors or New HoldCo or the NewCos.

97. Exemption from Transfer Taxes. Pursuant to section 1146(c) of the Bankruptcy Code, none of (i) the issuance transfer or exchange of any security under, in furtherance of, or in connection with, this Plan; (ii) the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with, this Plan, including any deeds, bills of sale or assignments executed in connection with any disposition of assets contemplated by this Plan (including real and personal property); or (iii) the disposition and/or encumbrance of assets in connection with any transactions contemplated hereunder (including any subsequent sale of property under sections 5.12 and 6.06 or other provisions of the Plan, including, without limitation, any sale by the Plan Trust or Custodial Trusts), shall be subject to any stamp, real estate transfer, mortgage recording sales, use or other similar tax.

98. Payment of Statutory Fees. On the Effective Date, and thereafter as may be required, the Plan Trust shall pay all fees payable by it pursuant to section 1930 of chapter 123 of title 28 of the United States Code.

99. Bar Date for Administrative Claims. Except as otherwise provided in (a) section 2.02 of the Plan with respect to professional fees and (b) the Order (I) Approving Bar Date for Certain Administrative Expense Claims against the Debtors and (II) Approving Form and Notice Thereof, dated February 9, 2006 (Doc. No. 1550) (the "Administrative Bar Date Order"), Claims for any and all administrative expenses of the types specified in section 503(b) of the Bankruptcy Code, including such claims of Governmental Units (as defined in section 101(27) of the Bankruptcy Code), shall be subject to the bar date and all other provisions set forth in the Administrative Bar Date Order.

100. Bar Date for Rejection Damages Claims. Any proof of Claim arising from an executory contract or unexpired lease that is rejected pursuant to the Plan (a "Rejection Claim"), other than claims arising from rejection for which a bar date has already been set by prior order of the Court, shall be filed with the Court and served on counsel for the Debtors no later than thirty (30) days after the Confirmation Date. Any claim not filed within such date shall be forever barred from assertion against the Debtors and their respective Estates. Upon allowance, such rejection claim shall be an Allowed Unsecured Claim classified in Class 3.

101. Dissolution of Creditors' Committee. On the Effective Date, the Committee shall be dissolved and the members of the Committee, including their employees, professionals, and agents, shall be released and discharged of and from all further authority, duties, responsibilities and obligations related to and arising from and in connection with the Cases, except for the filing of applications for payment of professionals.

102. Plan Supplement. The documents contained in the Plan Supplement, including, without limitation, any Plan Exhibits, and any amendments, modifications, and supplements thereto, and all documents and agreements introduced into evidence at the Confirmation Hearing

(including all exhibits and attachments thereto and documents referred to therein), and the execution, delivery, and performance thereof by the parties thereto, are authorized and approved when they are finalized, executed, and delivered. Without further order or authorization of this Court, the Debtors and the other parties thereto are authorized and empowered to make all modifications to all Plan Supplement Documents that are consistent with the Plan. Executed versions of Plan Supplement Documents shall constitute legal, valid, binding, and authorized obligations of the respective parties thereto, enforceable in accordance with their terms and, to the extent applicable, shall create, as of the Effective Date, all liens and security interests purported to be created thereby.

103. Governmental Approvals Not Required. This Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules, or regulations of any state or other governmental authority with respect to the implementation or consummation of the Plan, Disclosure Statement, Plan Supplement Documents and any documents, instruments, or agreements, and any amendments or modifications thereto, and any other acts referred to in, or contemplated by, the Plan and the Disclosure Statement; provided, however, that unless otherwise ordered by the Court after notice and a hearing, the provisions of this paragraph 103 shall not apply to any Environmental Permit the transfer of which from a Debtor to a NewCo has not be authorized by the relevant state agency or department.

104. Effectuating Documents; Further Transactions; Timing. Each of the officers of the Debtors shall be deemed to be authorized under resolutions of the respective Debtors' boards of directors to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents, and to take such action(s) as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and any securities issued

pursuant to the Plan. All transactions that are required to occur on the Effective Date under the terms of the Plan shall be deemed to have occurred simultaneously.

105. Notice of Confirmation Order. Pursuant to Bankruptcy Rules 2002(0)(7) and 3020(c), the Debtors shall serve by hand delivery, first class mail or reputable overnight delivery service, a notice of the entry of this Confirmation Order (the "Confirmation Notice"), which notice shall include the notice of any Bar Date(s) established by the Plan and this Confirmation Order, to all parties that received the Notice of the Confirmation Hearing, not later than 20 days after the Confirmation Date; provided, however, that the Confirmation Notice shall not be required to be served on any holder of Claims or Equity Interests where the prior service of the Notice of Confirmation Hearing was returned to the Debtors as undeliverable and no forwarding address has been provided. Such service and publication shall constitute good and sufficient notice pursuant to Federal Rules of Bankruptcy Procedure 2002(0)(7) and 2002(i)(1) of the entry of this Confirmation Order and no other or further notice need be given.

106. Notice of Effective Date. As soon as practicable after the occurrence of the Effective Date, the Debtors or the Plan Trustee shall file notice of the occurrence of the Effective Date and shall serve a copy of same on all parties entitled to receive notice pursuant to this Court's Order Establishing Certain Notice, Case Management and Administrative Procedures Pursuant to Rules 2002 and 9007 of the Bankruptcy Rules, dated May 19, 2005 (Doc. No. 209).

107. Pre-Petition Note Indenture Trustee as Claim Holder. Consistent with Bankruptcy Rule 3003(c), the Debtors shall recognize a Proof of Claim filed by the Pre-Petition Note Indenture Trustee in respect of the Pre-Petition Note Claims. Accordingly, any Claim, proof of which is filed by the registered or beneficial holder of a Claim, shall be disallowed as duplicative of the Claim of the Pre-Petition Note Indenture Trustee, without any further action of the Court.

108. Post-Confirmation Fees and Reports. Unless otherwise ordered by the Court, the Plan Trustee shall timely pay of all fees incurred pursuant to section 1930 of title 28 to the United States Code. Unless otherwise ordered by the Court, the Plan Trustee shall file with the Court, and serve on the U.S. Trustee, a quarterly financial report for each quarter (or portion thereof) that the Cases remain open, in a format prescribed by the U.S. Trustee in accordance with the guidelines of the Office of the U.S. Trustee.

109. Compliance with Laws. Nothing in the Plan or this Confirmation Order nullifies any liability to a governmental unit under applicable police or regulatory statutes or regulations that any entity would have as the owner or operator of property after the Effective Date.

110. Substantial Consummation. On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127 of the Bankruptcy Code, provided however that the Plan shall only be substantially consummated after each of the conditions listed in sections 9.01 and 9.02 of the Plan has been fulfilled or waived as set forth therein.

111. Reversal. If any of the provisions of this Confirmation Order are hereafter reversed, modified or vacated by a subsequent order of the Court or any other court, such reversal, modification, or vacatur shall not affect the validity of the acts or obligations incurred or undertaken under, or in connection with, the Plan prior to receipt of written notice of such order by the Debtors, Plan Trustee, Custodial Trustee, Pre-Petition Indenture Note Trustee or New HoldCo and the NewCos, as the case may be. Notwithstanding any such reversal, modification or vacatur of this Confirmation Order, any such act or obligation incurred or undertaken pursuant to, and in reliance on, this Confirmation Order prior to the effective date of such reversal, modification or vacatur shall be governed in all respects by the provisions of this Confirmation

Order, the Plan, all documents relating to the Plan and any amendments or modifications to any of the foregoing.

112. Modification of Payment Terms. The Debtors and the Plan Trust may modify the treatment of any Allowed Claim in any manner adverse only to the holder of such Claim at any time after the Effective Date upon the prior written consent of the holder whose Allowed Claim treatment is being adversely affected.

113. Immediate Effectiveness; Successors and Assigns. The stay contemplated by Bankruptcy Rule 3020(e) shall not apply to this Confirmation Order. The provisions of the Plan will bind all creditors and all holders of Claims and Equity Interests, regardless of whether they voted to accept the Consensual Modified Plan. The rights, duties and obligations of any Person named or referred to in the Plan shall be binding upon, and shall inure to the benefit of, the successors, heirs and assigns of such person.

114. Final Order. This Confirmation Order is a Final Order and the period in which an appeal must be filed shall commence upon the entry hereof.



**EXHIBIT A**

**EXHIBIT A**

**DESIGNATED PROPERTY**

<b>PARCEL NUMBER</b>	<b>APPROX. ACREAGE</b>	<b>PROPERTY DESCRIPTION</b>	<b>LOCATION</b>	<b>OWNER</b>
<b><i>Galena, Cherokee County, Kansas</i></b>				
2011200000016000	5.1	N. Wood Rd., Vicinity of Smelter	Galena	EPT
2011200000021000	36	Rt. 1, Vicinity of Smelter	Galena	EPT
2061302001001000	53	Clark St., Smelter	Galena	EPT
2061302001002000	11937 SF	Clark St., Smelter	Galena	EPT
2061302001003000	37500 SF	Clark St., Smelter	Galena	EPT
2061302001004000	15625 SF	Clark St., Smelter	Galena	EPT
2061302001005000	25050 SF	Clark St., Smelter	Galena	EPT
2061302002001000	6.9	Clark St., Smelter	Galena	EPT
2061302003001000	27675 SF	Clark St., Smelter	Galena	EPT
2061302009002000	1.1	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302009003000	1.3	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302010001000	1.3	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302010002000	6250 SF	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302010004000	29125 SF	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302011001000	1.5	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302011002000	1.5	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302012001000	12500 SF	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302014001000	1.5	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302015001000	1.3	Bellevue St., Vicinity of Smelter	Galena	EPT
2061302016001000	12	E. Front St., Vicinity of Smelter	Galena	EPT
2061401013006000	35418 SF	E. Grand Ave., Vicinity of Smelter	Galena	EPT
2061401013007000	16674 SF	Water St., Vicinity of Smelter	Galena	EPT

# **EXHIBIT A**

<b>PARCEL NUMBER</b>	<b>APPROX. ACREAGE</b>	<b>PROPERTY DESCRIPTION</b>	<b>LOCATION</b>	<b>OWNER</b>
2061401013008000	25000 SF	Water St., Vicinity of Smelter	Galena	EPT
2061401013010000	4.7	Clark St., Vicinity of Smelter	Galena	EPT
2061401023002000	1.5	Water St., Vicinity of Smelter	Galena	EPT
2061401028001000	1.4	Prospect St., Vicinity of Smelter	Galena	EPT
2061401029001000	1.1	Water St., Vicinity of Smelter	Galena	EPT
<b><i>Baxter Springs, Cherokee County, Kansas</i></b>				
2221000000002000	12	W 19th St.	Baxter Springs	EPT
2221000000009000	7	S. Ballard Rd.	Baxter Springs	EPT
2251600000002000	3.6	SE Treece Rd.	Baxter Springs	EPT
<b><i>Columbus, Cherokee County, Kansas<sup>1</sup></i></b>				
2311100000006000	2200 SF	SW Treece Rd	Columbus	EPT
<b><i>Hockerville, Ottawa County, Oklahoma</i></b>				
0000-14-029-023-0-017-00	2.3		Hockerville	EPT
0000-14-029-023-0-006-00	1.52		Hockerville	EPT
<b><i>River Rouge, Michigan</i></b>				
50-008-99-0007-701	5	Adjacent to 1900 West Pleasant Ave.	River Rouge	EPI
<b><i>Galena, Illinois</i></b>				
SE ¼ Section 25, T29N, R1W	9	Graham Mine	Galena	EPI
<b><i>Urbana, Ohio</i></b>				
K48-25-11-01-33-020-00	2.86	Adjacent to 720 S. Edgewood Ave.	Urbana	EPI
<b><i>Sidney, Ohio</i></b>				
01-22110481.001	12	Lot 5199, Brooklyn Ave.	Sidney	EPI
<b><i>Hillsdale, Michigan (Industrial Drive)</i></b>				
006221276001	6.8	221 Industrial Drive	Hillsdale	Hillsdale Debtors

<sup>1</sup> For purposes of Funding the Debtors have assumed the site is approximately 9 acres in size, although the actual size and extent of EPT's ownership is still being analyzed.

**EXHIBIT A**

**TRANSITIONAL PROPERTY**

<b>PARCEL NUMBER</b>	<b>APPROX. ACREAGE</b>	<b>PROPERTY DESCRIPTION</b>	<b>LOCATION</b>	<b>OWNER</b>
<b><i>Hillsdale, Michigan (Rubber Plant)</i></b>				
006221276001	6.8	215 Industrial Drive	Hillsdale	Hillsdale Debtors
<b><i>Hillsdale, Michigan (South Street)</i></b>				
42630626	4.4	135 E. South Street	Hillsdale	Hillsdale Debtors
<b><i>Inkster, Michigan</i></b>				
990010001		2424 John Daly & 2638 Princess Street	Inkster	EPI
<b><i>Miami, Oklahoma</i></b>				
5220-00-002-000-0-000-00 5220-00-003-001-0-000-00	5.03	200 BJ Tunnel Blvd.	Miami	EPT

CINCINNATI/56571

**EXHIBIT B**

**(Funding Amounts)**

1. Environmental Costs associated with former EPT property located in Galena, IL - \$1,150,000;
2. Environmental Costs associated with former EPT property located in Galena, KS - \$6,560,000;
3. Environmental Costs associated with former EPT property located in Baxter Springs, KS - \$349,000;
4. Environmental Costs associated with former EPT property located in Columbus/Treeca, KS - \$282,000;
5. Environmental Costs associated with former EPT property located in Miami, OK - \$600,000;
6. Environmental Costs associated with former EPT property located in Hockerville, OK - \$105,000;
7. Environmental Costs associated with former EPI property located in River Rouge, MI - \$700,000;
8. Environmental Costs associated with former Hillsdale Debtors property located in Hillsdale, MI (Industrial Drive) - \$1,600,000;
9. Environmental Costs associated with former Hillsdale Debtors property located in Hillsdale, MI (South Street) - \$800,000;
10. Environmental Costs associated with former EPI property located in Inkster, MI - \$1,500,000;
11. Environmental Costs associated with former EPI property located in Urbana, OH - \$45,000;
12. Environmental Costs associated with former EPI property located in Sidney, OH - \$1,080,000; and
13. Other costs of administration for the EP Custodial Trust - \$2,940,700 plus a holdback of up to fifteen percent of Residual Interests as provided in the Custodial Trust Agreement.

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